

Message Text

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E.O. 11652: N/A

TAGS: EGEN, AS

SUBJ: ECONOMIC SECTION OF QUEEN ELIZABETH'S

SPEECH OPENING SECOND SESSION OF 28TH

AUSTRALIAN PARLIAMENT

REF: CANBERRA 1329

1. SUMMARY: ECONOMIC PROVISIONS OF QUEENS SPEECH NOTABLE FOR THEIR PROMINENCE AND DETAIL RATHER THAN FOR INCLUSION OF ANY MAJOR NEW PROPOSALS. SIGNIFICANT PROPOSALS ITEMIZED REPRESENT MEASURES EITHER ADVANCED OR ANNOUNCED AS GOVERNMENT POLICY INTENTION IN 1973. SECTION ON ECONOMIC MEASURES WAS OPENING SECTION OF GOVERNMENT PROGRAM STATEMENT, IMMEDIATELY FOLLOWING OPENING AMENITIES IN SPEECH. AS SUGGESTED REFTEL, MANY OF LISTED MEASURES UNLIKELY TO BE IMPLEMENTED IN 1974 BUT SPEECH CONSISTUES SIGNIFICANT REITERATION OF PRIME MINISTER'S CONTINUING OBJECTIVES. END SUMMARY.

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2. ECONOMIC SECTION STARTS WITH AFFIRMATION ECONOMY BASICALLY STRONG, BUT AFFIRMS GOVERNMENT'S VIEW THAT INFLATION REMAINS MOST URGENT DOMESTIC PROBLEM AND THAT ITS ANTI-INFLATION PROGRAM, WHICH IT BELIEVES IS NOW HAVING A RESTRAINING EFFECT, CONTINUES TOP PRIORITY. THIS FOLLOWED BY BROAD ASSERTION OF GOVERNMENT'S COMMITMENT TO QTE GREATEST POSSIBLE MEASURE OF AUSTRALIAN OWNERSHIP OF NATION'S INDUSTRIES AND RESOURCES END QTE.

3. LONG LIST OF SPECIFIC MEASURES FOLLOWS THESE BRAOD INTRODUCTORY POINTS. MEASURES OF SPECIAL INTERNATIONAL INTEREST INCLUDE EXPANSION OF AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION AND ASSOCIATED NATIONAL INVESTMENT FUND, ENACTMENT OF NEW AND PRESUMABLY MORE SPECIFIC LEGISLATION ON FOREIGN TAKE-OVERS, LEGISLATION TO CONTROL FOREIGN PARTICIPATION IN THE NON-BANK FINANCIAL SECTOR, ESTABLISHMENT OF EXPORT BANK, ENACTMENT OF NEW FIVE-YEAR EXPORT INCENTIVE SCHEME, AND CREATION OF PETROLEUM AND MINERALS EXPLORATION AUTHORITY.

4. OTHER PROPOSALS OF INTEREST INCLUDE ENACTMENT OF TRADE PRACTICES ANTI-MONOPOLY LEGISLATION, LEGISLATION TO REGULATE SECURITIES INDUSTRY, UNIFORM NATIONAL COMPANIES ACT, REVISION OF ANTI-DUMPING LEGISLATION, AND ASSISTANCE PROGRAM FOR AUSTRALIAN SHIP BUILDING INDUSTRY.

5. THE SPEECH ALSO ENDORSES STRENGHENING OF WORLD TRADE RELATIONS AND PROMISES NEGOTIATION OF PREVIOUSLY ANNOUNCED BROAD BILATERAL ECONOMIC TREATY-THE TREATY OF NARA-WITH JAPAN.

6. EMBASSY COMMENT: THESE PROPOSALS CONTAIN NO SURPRISES. SEVERAL IMPORTANT ITEMS WERE INTRODUCED IN THE LAST SESSION OF PARLIAMENT AND SOME PASSED THE LOWER HOUSE BUT WERE HELD UP BY SENATE. THESE INCLUDE THE AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION-NATIONAL INVESTMENT FUND PROPOSALS, THE TRADE PRACTICES LEGISLATION AND THE LEGISLATION TO ESTABLISH THE PETROLEUM AND MINERALS LIMITED OFFICIAL USE

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EXPOLORATION AUTHORITY. THE REMAINING PROPOSALS HAD ALREADY BEEN ANNOUNCED IN ONE FORM OR ANOTHER. THE OUTLOOK FOR 1974 ACTION ON THE KEY PROPOSALS IS THE AIDC-NIF LEGISLATION MAY BE ADOPTED IN SOME AMENDED FORM. ONE OF THE MOST INTERESTING PASSAGES IS THE QUOTED REFERENCE TO THE GOVERNMENT'S COMMITMENT TO GREATEST POSSIBLE MEASURE OF AUSTRALIAN OWNERSHIP OF INDUSTRIES AND RESOURCES. ON THE ONE HAND, THIS FORMULATION REFRAINS

FROM ADOPTING SPECIFIC PERCENTAGE OR OTHER TYPES OF
GOALS AND IN THAT SENSE MAY IMPLY LESS RIGIDITY THAN SOME
EARLIER STATEMENTS RESPECTING INDIVIDUAL SECTORS. ON
THE OTHERHAND, THIS LANGUAGE APPEARS MORE SWEEPING THAN
PAST FORMAL AND AUTHORITATIVE STATEMENTS IN THE SENSE THAT
IT APPLIES WITHOUT EXCEPTION TO EVERY SECTOR OF ECONOMY
AND SEEMS TO IMPLY AN OPEN-END UPPER LIMIT ON THE GOAL OF
DOMESTIC CONTROL. IN PRACTICE, EMBASSY INCLINED TO VIEW
LANGUAGE WITH CONSIDERABLE RESERVATION SINCE THE EFFECTIVE LIMIT
ON THE QTE GREATEST POSSIBLE MEASURE END QTE WILL BE
THE AVAILABILITY OF DOMESTIC CAPITAL AND THE COMPETING
DOMESTIC CLAIMS FOR SUCH CAPITAL FOR NEW DEVELOPMENT.
GREEN

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